



TOWN OF WEST HARTFORD

AGENDA ITEM SUMMARY

To: Town Council

From: Matt Hart, Town Manager

Date: September 12, 2018

CC: Peter Privitera, Director of Financial Services

Subject: Resolution (Hart) to Appropriate \$500,000 in the Fiscal Year 2018-2019 Budget of the Capital and Non-Recurring Expenditure Fund to Supplement the Purchase of a Financial Management (1207)

Background: In 2014, the Town selected Dynamics AX in 2014 as its preferred Enterprise Resource Planning (ERP) system. The system currently supports Accounting, Accounts Receivable, Budgeting, Finance, Fixed Assets, Purchasing, and Cash & Bank Management. As a result of the release of a new ERP product (Microsoft 365), Microsoft has announced the end of mainstream support for Dynamics AX as of October 2021 with extended support offered through January 2023. The impact of this new release is that West Hartford must purchase this new product or seek an alternate ERP system. With end of support on the horizon for Dynamics AX, West Hartford has the opportunity to migrate to the Munis ERP system at a significantly reduced cost. The cost of the migration to Munis rather than Microsoft 365 would result in a significant cost avoidance over the next four years.

Operational Impact: West Hartford and the West Hartford Board of Education rely heavily on the accounting and payroll system for day-to-day operations. Adoption of this resolution would allow for the purchase and implementation of the Munis ERP system, an integrated financial and payroll system that meets municipal accounting and business operating needs. Munis is widely used by municipalities throughout Connecticut.

Financial Impact: Town Council adoption of this resolution would have a direct fiscal impact on the fiscal year 2018/19 budgets of the Capital Non-Recurring Expenditure (CNRE) and Capital Projects Funds. The resolution would allow for a \$500,000 appropriation from CNRE Fund Balance, with a corresponding transfer out to the Capital Projects Fund. The resolution would also provide for a \$500,000 transfer into the Capital Projects Fund, with a corresponding appropriation for system hardware.

Legal Review: Corporation Counsel's office has reviewed and approved the form and legality of the proposed resolution.

Project Schedule: If approved, staff would make the expenditures upon adoption of the resolution.

Recommendation: As explained above, staff believes that a transition to the Munis product is warranted and would allow for long-term savings. Staff recommends Council approval of the attached resolution.

Attachments: Please see the attached resolution.

**RESOLUTION TO APPROPRIATE \$500,000 IN THE FISCAL YEAR 2018-2019 BUDGET OF
THE CAPITAL AND NON-RECURRING EXPENDITURE FUND TO SUPPLEMENT THE
PURCHASE OF A FINANCIAL MANAGEMENT SYSTEM**

WHEREAS, in 2014 West Hartford selected Microsoft Dynamics AX as its preferred Enterprise Resource Planning (ERP) system, and

WHEREAS, Microsoft has announced the end of mainstream support for Dynamics AX as of October 2021 as the result of a new ERP product developed by Microsoft, and

WHEREAS, West Hartford has an opportunity to purchase and implement Munis ERP system at a reduced cost of \$1,428,000 due to this termination in support, and

WHEREAS, West Hartford has available appropriations of approximately \$900,000 but requires an additional \$500,000, and

WHEREAS, the Capital Non-Recurring Expenditure Fund has unreserved fund balance available to transfer to this capital project,

NOW, THEREFORE, BE IT RESOLVED THAT THE TOWN COUNCIL OF THE TOWN OF WEST HARTFORD hereby authorizes the transfer of \$500,000 and the fiscal year 2018-2019 Capital and Non-Recurring Expenditure Fund budget is hereby amended as follows:

Increase Estimated Revenues

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| 33-910800-30506-9399 | Use of Fund Balance | \$500,000 |
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Increase Appropriations

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| 33-910800-30506-4058 | Transfer to Capital Projects Fund | \$500,000 |
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AND, BE IT FURTHER RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WEST HARTFORD that it amends the fiscal year 2018-2019 Capital Project Fund budget as follows:

Increase Estimated Revenues

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| 41-891915-80001-9389 | Transfer from CNRE | \$500,000 |
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Increase Appropriations

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| 41-891915-80001-3167 | System Hardware | \$500,000 |
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(Hart)

9/12/2018